SNB Comment

CHF Desk Analysis

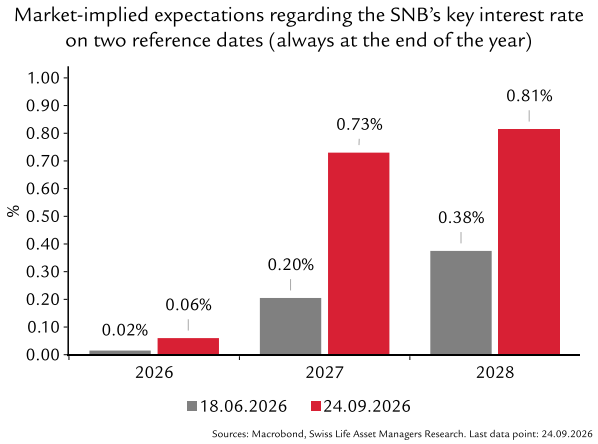
SwissLife Asset Managers

September 2026

At a glance

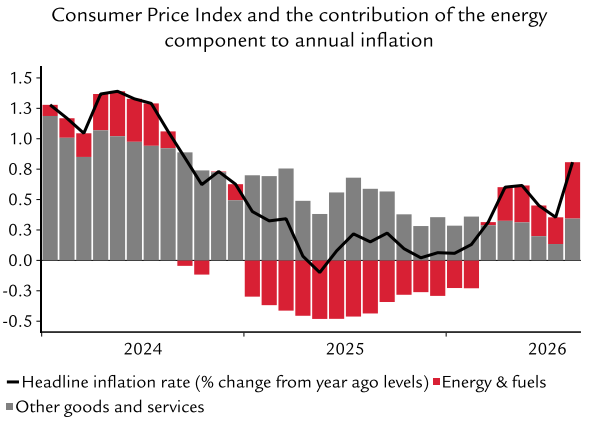
The latest re-calibration of monetary policy by the major central banks with interest rate hikes of 25 basis points by both the ECB and the Fed in September as well as further tightening steps expected by the market has not prompted the SNB to change course. The key factors here are the persistently subdued core inflation and the fact that the surprisingly strong growth figures in the second quarter of 2026 are largely due to one-off effects. From a domestic perspective, there is thus still no convincing argument for a rapid tightening of monetary policy.
Nevertheless, there could be room for monetary policy-related manoeuvre if the Swiss franc continues to weaken. While we are still not expecting an interest rate hike in December 2026, we expect a cautious normalisation to 50 basis points from 2027. While the SNB is thus raising the key interest rate, it is not moving into restrictive areas.

SNB interest rate path in time comparison



Compared to the last monetary policy assessment in June 2026, interest rate expectations have increased significantly. For 2027 and 2028 in particular, markets are pricing in a gradual return to a normalised interest rate environment. However, the expected interest rate hikes are much more moderate for the SNB than for its inter-national peers. While market expectations for the SNB policy rate for the end of 2027 and 2028 are close to our estimate of a neutral interest rate, markets expect policy rates for the ECB and the Fed, which in our view are clearly in the restrictive range.
Growth expectations for 2026 have been raised from 1.0% to between 1.5% and 2.0%. The forecast remains at 1.5% for 2027.

Energy prices driving inflation in Switzerland



Sources: FSO, Macrobond, Swiss Life Asset Managers Research. Last data point: August 2026

Inflation has also become more visible in Switzerland. This is mainly due to the rise in energy and fuel prices, which are directly felt by many households at petrol stations.

From a monetary policy perspective, however, it is crucial that this is largely imported inflation. The SNB has only limited influence here. A sharper monetary tightening would hardly bring down energy prices but would place an additional burden on the domestic economy. The SNB's cautious stance is therefore consistent. The inflation forecasts of 0.8% for 2027 and 2028 still show that the current price pressure is likely to be only temporary. Nevertheless, the communication suggests that the SNB's focus has partly shifted from the exchange rate to medium-term inflation risks.

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